

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
(Charlotte Division)

**In re:**

**JOSHUA AND ANDREA FARMER,**

**Debtors.**

**In re:**

**RAYMOND AND DIANE FARMER,**

**Debtors.**

**Chapter 11**

**Case No. 10-40269**

**Chapter 11**

**Case No. 10-40270**

**Jointly Administered**

**STIPULATION BY AND BETWEEN DEBTORS AND VW CREDIT, INC. REGARDING  
VALUATION OF COLLATERAL UNDER 11 U.S.C. §506(a)(1)**

The above-captioned debtors (the “Debtors”), on the one hand, and VW Credit, Inc. (“VW Credit”), on the other hand, hereby stipulate and agree to be bound as follows:

1. On April 5, 2010 (the “Petition Date”), the Debtors filed two voluntary joint petitions for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtors are currently debtors in possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. No trustee or examiner has been appointed in these chapter 11 cases. The chapter 11 cases were administratively consolidated by an order entered on May 10, 2010.

3. On or about June 28, 2008, Andrea Farmer and Two Mile Properties, LLC purchased a 2006 Audi A8 4.2 SDN LQ, VIN: WAUML44E86N010032 (the “Vehicle”) pursuant to the terms of a Retail Installment Sale Contract of even date (the “Contract”).

4. VW Credit filed a Motion for Relief from Stay or for Adequate Protection where it represented, among other things, that: (i) it is the current holder and owner of the Contract, and (ii) that the Contract is secured by a perfected security interest in the Vehicle as evidenced by a notation on the Certificate of Title issued by the State of North Carolina.

5. On March 18, 2011, the Debtors filed the *Second Amended Joint Plan of Reorganization of Raymond and Diane Farmer and Joshua and Andrea Farmer Pursuant to Section 1121(a) of the Bankruptcy Code* (the “Plan”)(ECF No. 390). VW Credit’s secured claim was classified in Class 7 of the Plan.<sup>1</sup>

6. The Plan provided, among other things, that VW Credit’s secured claim would be treated as a secured obligation of Andrea Farmer in the amount set forth in the Debtors’ Schedules, less the amount of any pre-confirmation adequate protection payments or on such other terms as may be agreed upon by Andrea Farmer and VW Credit.

7. The Debtors and VW Credit have conferred and have agreed upon a value of the Vehicle for the purposes of claims allowance, voting and distributions under the Plan.

NOW, THEREFORE, INTENDING TO BE LEGALLY BOUND, IT IS HEREBY STIPULATED AND AGREED as follows:

- A. That the value of the Vehicle as of the Petition Date was \$31,900.00.
- B. That VW Credit shall have an allowed secured claim in the amount of \$29,500.00, which represents the value of the Vehicle less a credit of \$2,400.00 for pre-confirmation adequate protection payments made by the Debtors.
- C. Each person who executes this Stipulation by or on behalf of each respective party warrants and represents that he or she has been duly authorized and empowered to execute and deliver this Stipulation of behalf of such party.
- D. No provision of this Stipulation may be changed, except by a written instrument executed by the parties or as ordered by the Court, provided however, that this Stipulation is

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<sup>1</sup> Class 7 of the Plan classifies the secured claim of Audi Financial Services. VW Credit has represented to the Court and the Debtors that it is the real party in interest and the holder of the Class 7 claim.

conditioned upon the confirmation of the Debtors' Plan and will be vacated by its own terms in the event that the Plan is not confirmed.

WE STIPULATE AND CONSENT:

<u>/s/ Andrew T. Houston</u> Andrew T. Houston Moon, Wright & Houston, PLLC 227 West Trade Street, Suite 1800 Charlotte, NC 28202 (704) 944-6563 <i>Attorney for Debtors</i>	<u>/s/ Christine M. Lamb</u> Christine M. Lamb The Lamb Firm P.O. Box 2188 Davidson, NC 28036 (704) 892-3600 <i>Attorney for VW Credit, Inc.</i>
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